

CALL FOR NEW INFORMATION

State of Alaska Oil and Gas Lease Sales

2013 Beaufort Sea, North Slope, and North Slope Foothills Areawides



Alaska Department of Natural Resources
Division of Oil and Gas

March 22, 2013

The Alaska Department of Natural Resources, Division of Oil and Gas (DO&G), will offer all available state acreage in the Beaufort Sea, North Slope, and North Slope Foothills Areawide oil and gas lease sales areas, tentatively scheduled for October 2013. DO&G requests substantial new information concerning these areas that has become available over the past year.

Based on the information received, DO&G will either issue supplements to its final best interest findings or decisions of no substantial new information for these lease sales areas (AS 38.05.035(e)(6)(F)).

The most recent Beaufort Sea Areawide final best interest finding was issued in 2009. The most recent North Slope Areawide final best interest finding was issued in 2008. The latest supplement to both findings was issued July 14, 2011. The most recent North Slope Foothills final best interest finding was issued in 2011. The findings and supplements are located at:

dog.dnr.alaska.gov/Leasing/BestInterestFindings.htm

What Are the Alaska Oil and Gas Lease Sale Program and the Best Interest Finding?

Alaska holds annual competitive oil and gas lease sales in five defined geographic areas, called "areawide lease sales". Before DO&G may hold an areawide lease sale in any of the five geographic areas, Alaska law requires a written best interest finding that it is in the state's best interests to have a lease sale (AS 38.05.035(e)). A best interest finding is valid for 10 years. It describes facts and relevant laws pertaining to the proposed lease sale area and discusses the potential effects of oil and gas exploration, development, production, and transportation. It also contains mitigation measures that lessees must follow. Mitigation measures are designed to reduce or eliminate potential negative effects and are included in leases sold during the 10-year life of the findings. Mitigation measures may be modified through supplements.

Deadline for receiving information:
April 22, 2013, 5:00 p.m.
Tentative lease sales: October 2013

What Areas are Included in the Oil and Gas Lease Sales?

The **Beaufort Sea** Areawide lease sale area encompasses about 2.0 million acres that are divided into 573 tracts ranging in size from 640 to 5,760 acres. These tracts are located within the North Slope Borough and consist of state-owned tide and submerged lands in the Beaufort Sea between the Canadian Border and Point Barrow. The area is adjacent to the National Petroleum Reserve - Alaska (NPR-A) and the Arctic National Wildlife Refuge (ANWR). The southern fringe of the lease sale area includes some state-owned uplands lying between the NPR-A and the ANWR. Communities in or near the lease sale area include Barrow, Nuiqsut, Kaktovik, and Deadhorse. A map of this lease sale area is attached.

The **North Slope** Areawide lease sale area encompasses about 5.1 million acres that are divided into 1,225 tracts ranging in size from 640 to 5,760 acres. These tracts are located entirely within the North Slope Borough between the Canning River and ANWR on the east and the Colville River and NPR-A on the west. The southern boundary of the lease sale area is the Umiat baseline. The northern fringe of the lease sale area is adjacent to the Beaufort Sea. Communities in or near the lease sale area include Barrow, Nuiqsut, Kaktovik, and Deadhorse. A map of this lease sale area is attached.

The Beaufort Sea and North Slope lease sale areas contain tracts in which the state is the sole owner of the mineral estate, and tracts in which the state and the Arctic Slope Regional Corporation jointly own the mineral estate. The land estate on these tracts may be owned by the state, a municipality, or a private entity. Only those tracts in which the mineral estate is free and unencumbered are included in any lease issued.

The **North Slope Foothills** Areawide lease sale area covers approximately 7.6 million acres lying between the ANWR and the NPR-A, south of the Umiat baseline to the Gates of the Arctic National Park and Preserve. The sale area, which is entirely within the North Slope Borough, has been divided into 1,347 tracts ranging in gross area from 1,280 to 5,760 acres. The sale area

contains acreage owned by the state, Arctic Slope Regional Corporation (ASRC), and the United States. Activities resulting from this sale may affect the communities of Anaktuvuk Pass, Barrow, Nuiqsut, Kaktovik, and Deadhorse.

What is a Call for New Information?

After issuing the 10-year best interest finding, DO&G may conduct areawide lease sales in that area for up to 10 years without having to issue a new best interest finding for each lease sale if DO&G annually solicits new information. Based on information received, DO&G determines whether the information is substantial, new, and justifies a supplement to the most recent areawide best interest finding. DO&G then issues a decision of no substantial new information, or a decision to supplement the finding at least 90 days before the lease sale. Following the decision, DO&G may proceed with a lease sale for that area in that year.

What is “Substantial New” Information?

DO&G generally considers “substantial new” information to be published research, studies, or data directly relevant to the matters listed in AS 38.05.035(g) that has become publically available over the last year. Comments should be supported by a reference to substantial new information.

What Substantial New Information is DO&G Requesting?

DO&G requests substantial new information on any of the following matters listed in AS 38.05.035(g) for the Beaufort Sea, North Slope, and North Slope Foothills areawides, including:

- property descriptions and locations;
- petroleum potential of the sale area, in general terms;
- fish and wildlife species and their habitats in the area;
- current and projected uses in the area, including uses and value of fish and wildlife;
- governmental powers to regulate the exploration, development, production, and transportation of oil and gas or of gas only;
- reasonably foreseeable cumulative effects of exploration, development, production, and transportation for oil and gas or for gas only on the sale area, including effects on subsistence uses, fish and wildlife habitat and populations and their uses, and historic and cultural resources;
- lease stipulations and mitigation measures¹, including any measures to prevent and mitigate

¹ DO&G generally considers “lease stipulations and mitigation measures” as conditions or limitations imposed on the lessee

releases of oil and hazardous substances, to be included in the leases, and a discussion of the protections offered by these measures;

- method or methods most likely to be used to transport oil or gas from the lease sale area, and the advantages, disadvantages, and relative risks of each;
- reasonably foreseeable fiscal effects of the lease sale and the subsequent activity on the state and affected municipalities and communities, including the explicit and implicit subsidies associated with the lease sale, if any;
- reasonably foreseeable effects of exploration, development, production, and transportation involving oil and gas or gas only on municipalities and communities within or adjacent to the lease sale area; and
- bidding method or methods adopted by the commissioner under AS 38.05.180.

How Do I Submit Substantial New Information to DO&G?

Send substantial new information to:

By mail: Kathleen King
Alaska Dept. of Natural Resources
Division of Oil & Gas
550 W. 7th Ave., Suite 1100
Anchorage, Alaska 99501-3560

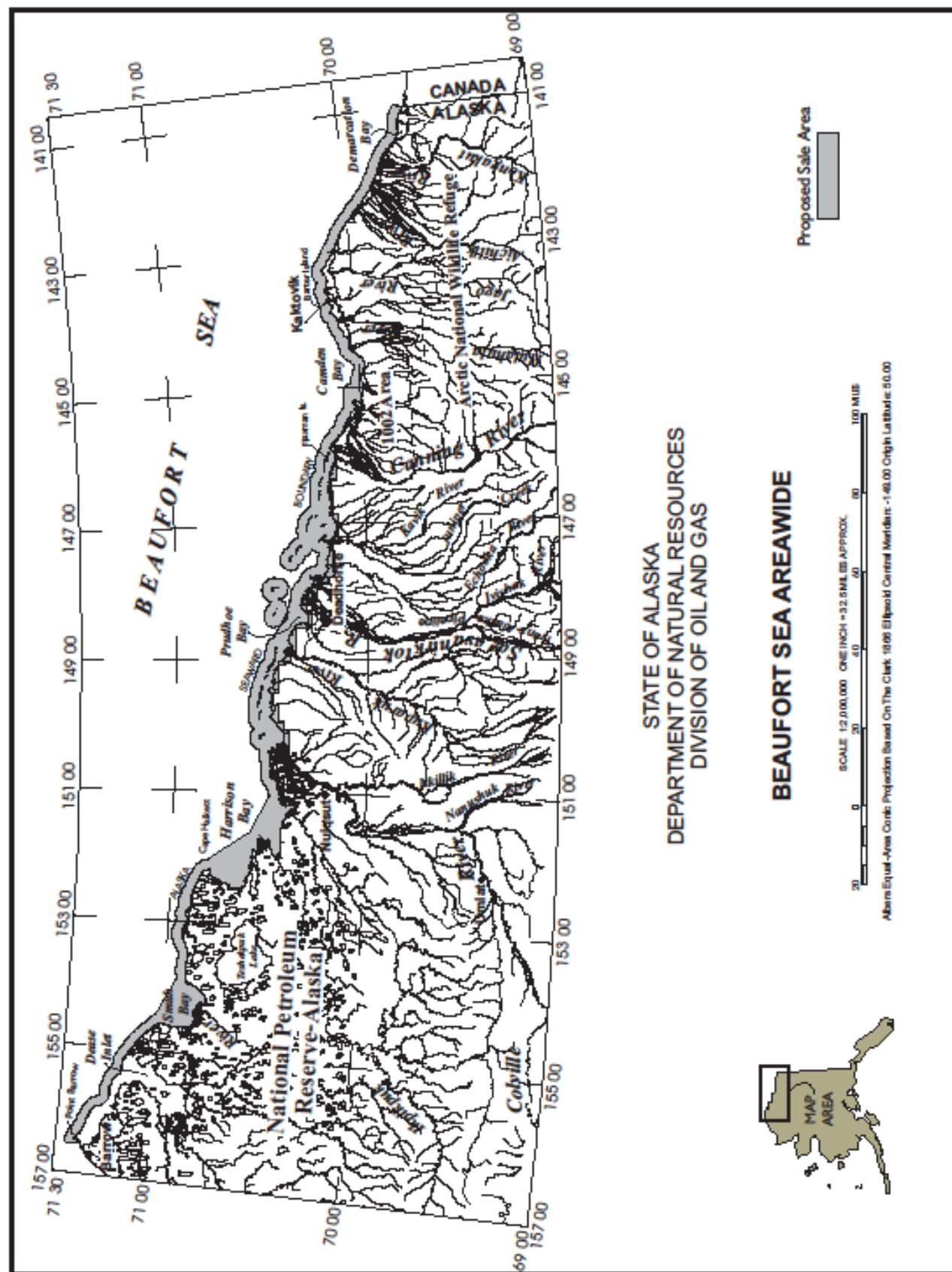
By fax: 907-269-8938

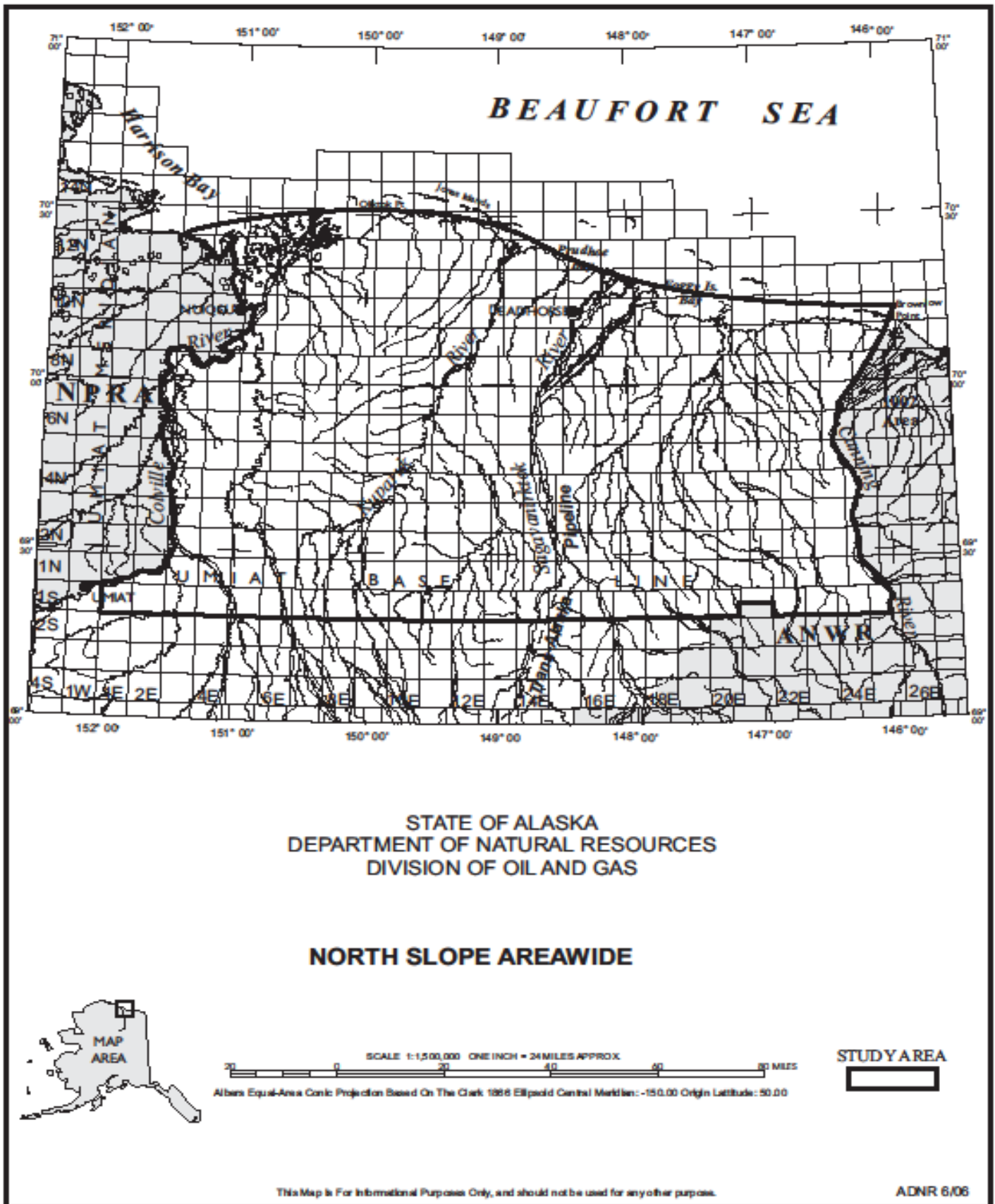
By e-mail: dog.bif@alaska.gov

Substantial new information must be received by, April 22, 2013, to be considered. Submit information only pertaining to the Beaufort Sea, North Slope, and North Slope Foothills lease sales areas. When providing information, please be as specific as possible. For example, if the information is from a published study, please provide a copy of the study or a complete reference citation so DO&G staff can obtain a copy for consideration.

A person is eligible to file a request for reconsideration of the commissioner’s decision and file any subsequent appeal to the Superior Court only if the person has meaningfully participated in this process by submitting written comment during the period for receipt of new information, and is affected by the final written finding (AS 38.05.035(i)).

to ensure a resource is disposed in a manner that mitigates the potential adverse social and environmental effects of specific lease-related activities.





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